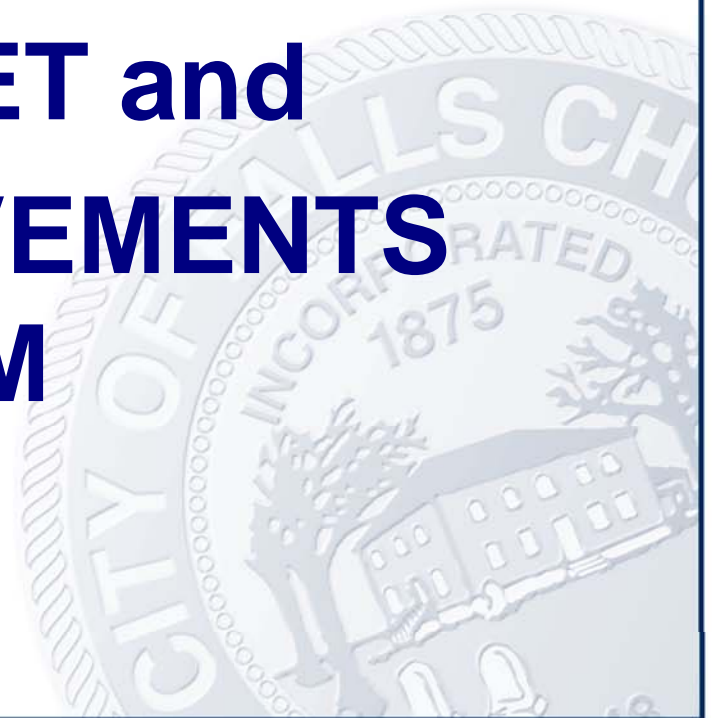
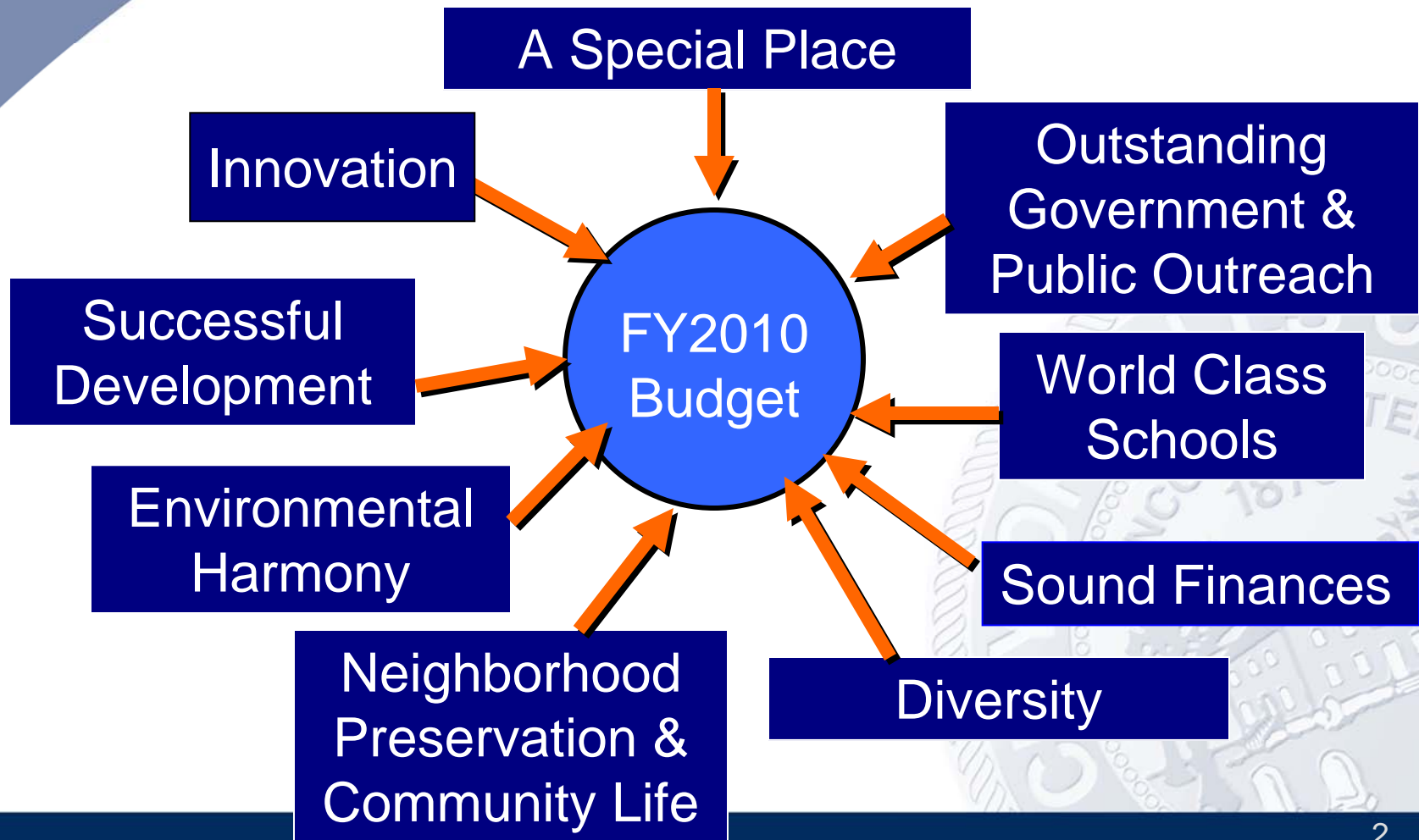


City of Falls Church

**FY2010 BUDGET and
CAPITAL IMPROVEMENTS
PROGRAM**



Council Vision

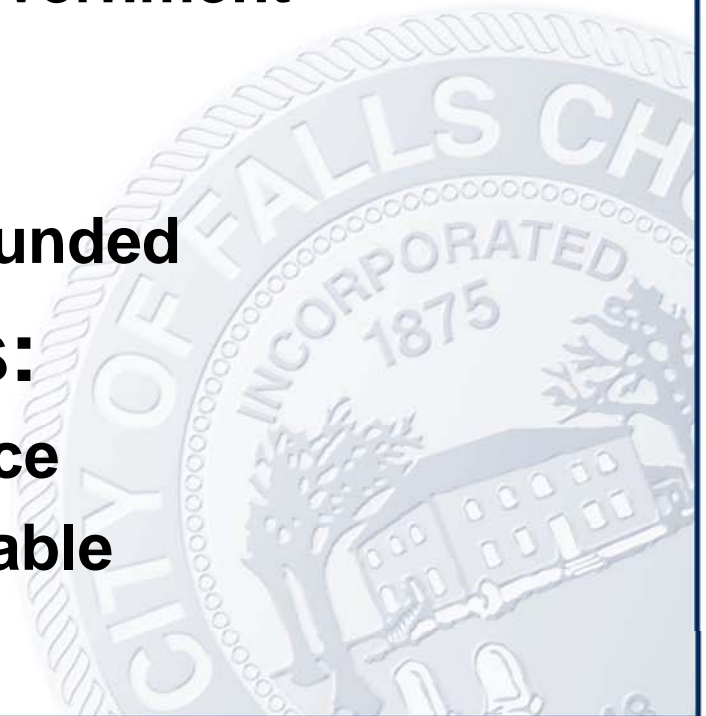


Summary

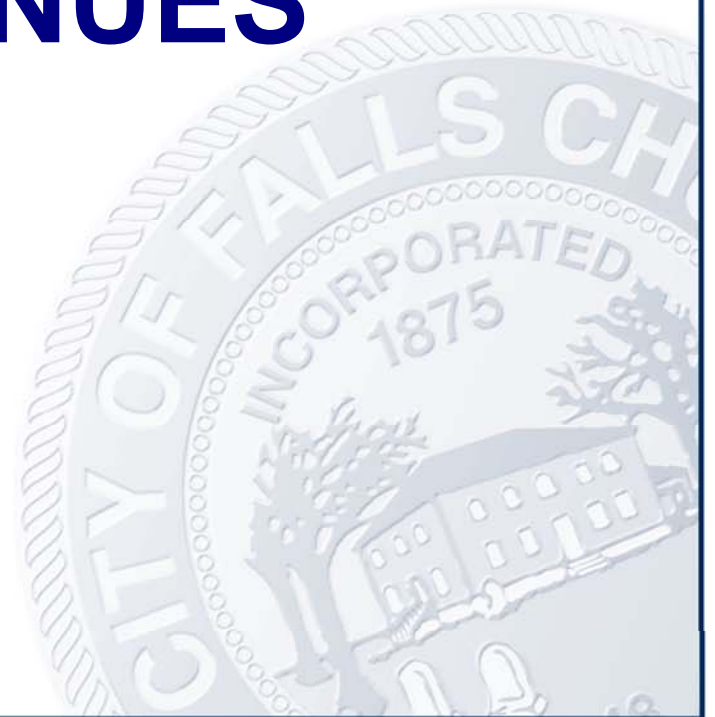
- **General Government expenditures, down 3.2%**
- **School Board request, down 1.6%**
- **RE tax rate increase:**
 - **CM Budget Proposal \$1.07**
 - **Advertise \$1.09**
- **Water/sewer rates: No Change**

Summary continued

- **Major Reductions**
 - Pay Freeze for General Government Employees
 - 7 Positions Defunded
 - GEORGE Bus Service Defunded
- **Capital Improvements:**
 - Minimal use of fund balance
 - Federal funds where available



FY2010 REVENUES



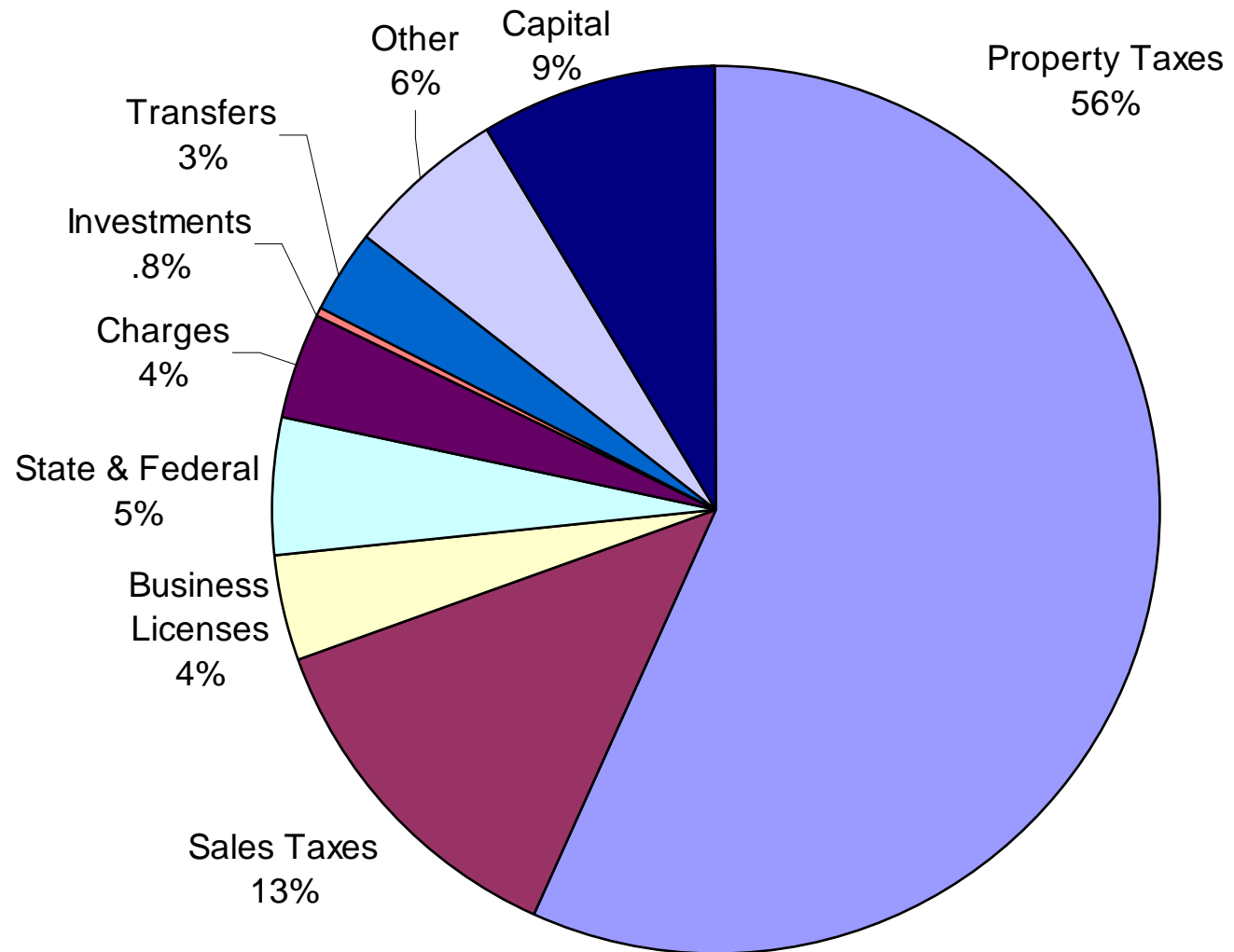
Operating Revenues

			\$	%
	FY2009	FY2010	Change	Change
Property Taxes	41,314,936	41,167,131	(147,806)	-0.36%
Meals & Utility	5,168,000	5,352,400	184,400	3.57%
Sales Taxes	4,503,200	3,875,000	(628,200)	-13.95%
Business Licenses	3,207,962	2,853,198	(354,764)	-11.06%
Building Permits	915,624	394,483	(521,141)	-56.92%
State & Federal	3,699,079	3,663,613	(35,466)	-0.96%
Charges & Fees	2,072,542	2,446,444	373,902	18.04%
Investments	650,000	214,000	(436,000)	-67.08%
Interfund Transfers	2,802,582	2,212,411	(590,171)	-21.06%
Other	3,669,061	4,059,780	390,719	10.65%
	68,002,986	66,238,460	(1,764,527)	-2.59%

Total Revenues

	FY2009	FY2010	\$ Change	% Change
Operating Revenue	68,002,986	66,238,460	(1,764,527)	-2.59%
Other Financing Sources	6,000,000	6,095,000	95,000	1.58%
Fund Balance	2,618,980	246,941	(2,372,039)	-90.57%
TOTAL	76,621,966	72,580,401	(4,041,566)	-5.27%

Revenue Sources



2009 Assessed Values Down 2.5% Overall

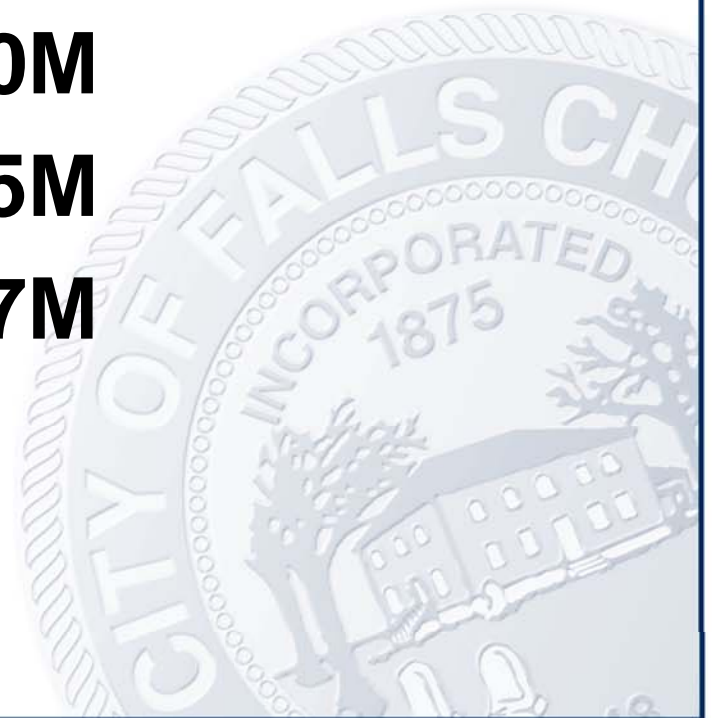
- Single Family: down 3.0%
- Townhouses: down 1.5%
- Condominiums: down 7.4%
- Commercial: up 1.0%
- Apartments: up 2.1%

Figures include new construction: \$66.7 million

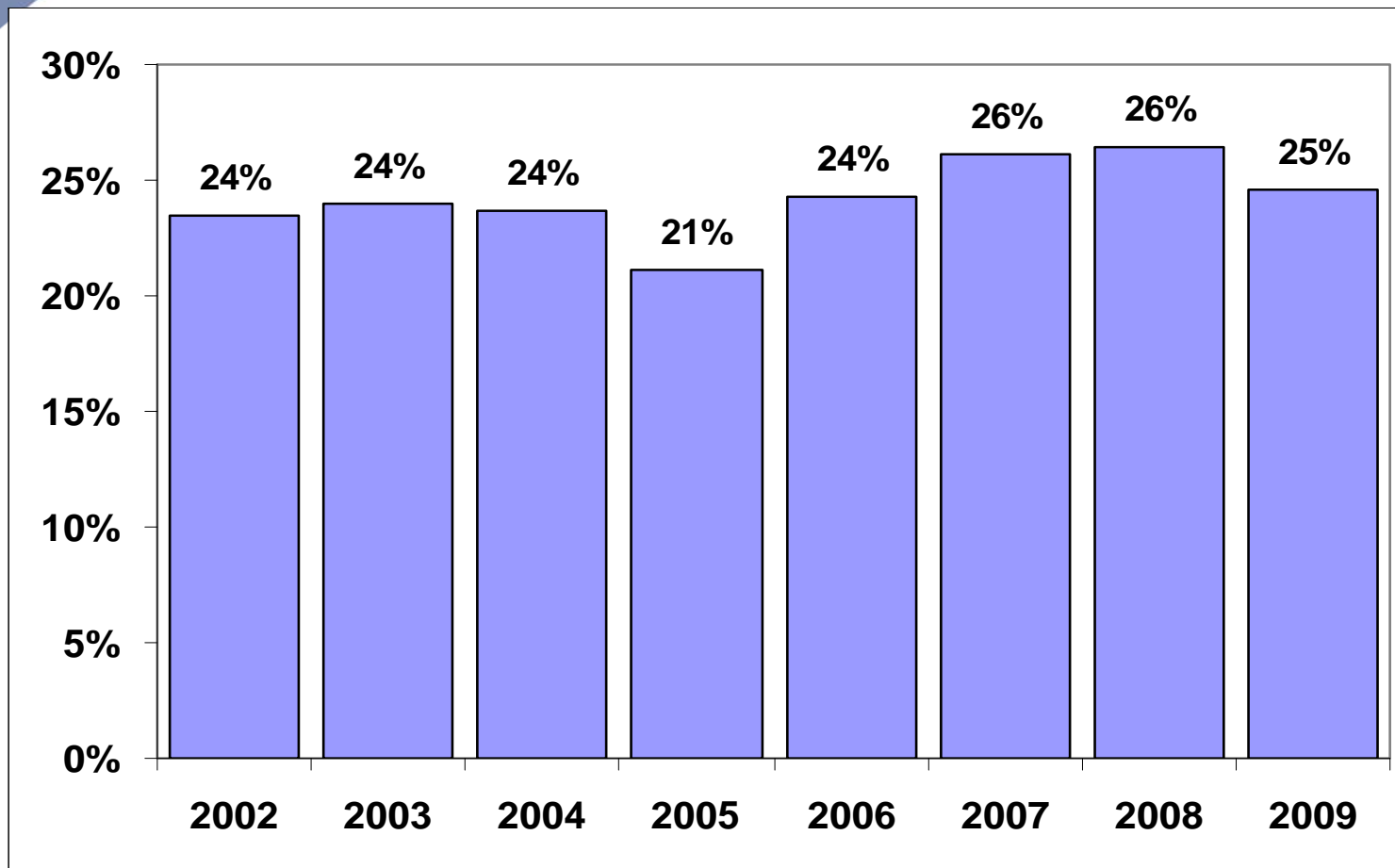


New Construction

- 2006: \$ 92.5M
- 2007: 128.0M
- 2008: 108.5M
- 2009: 66.7M



Commercial Property as % of Total Assessments



Property Tax on Median Home

- **2007 median home value \$651,600**
 - Tax: \$1.01 per 100 = \$6,581
- **2008 median home value \$622,000**
 - Tax: \$1.03 per 100 = \$6,407
- **2009 median home value \$605,950**
 - Tax: \$1.07 per 100 = \$6,483
 - Increase of \$76 or 1.2%

Fees and New Revenues

Meals Tax Discount Eliminated: \$20,000

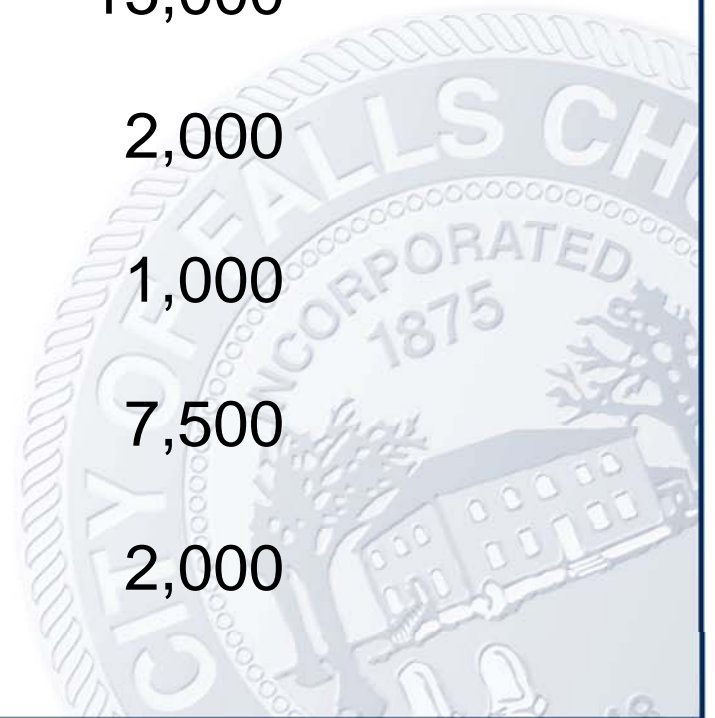
Zoning, Planning & Arborist Fees: 15,000

False Alarm Fees: 2,000

POD Permit Fees/Block Party Fees: 1,000

Mulch Delivery: 7,500

Metal Recyclables: 2,000



FY2010 EXPENDITURES

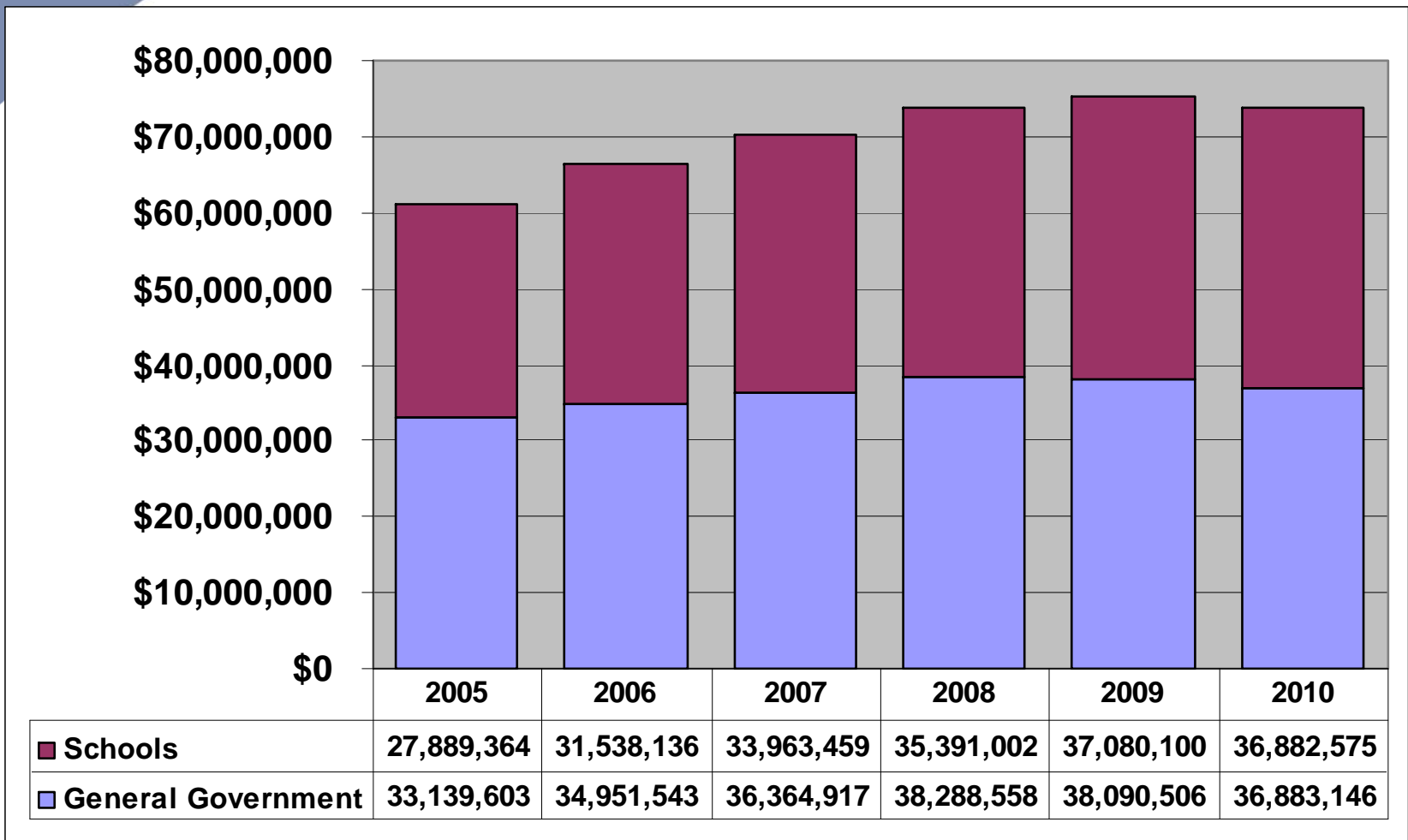


Expenditures

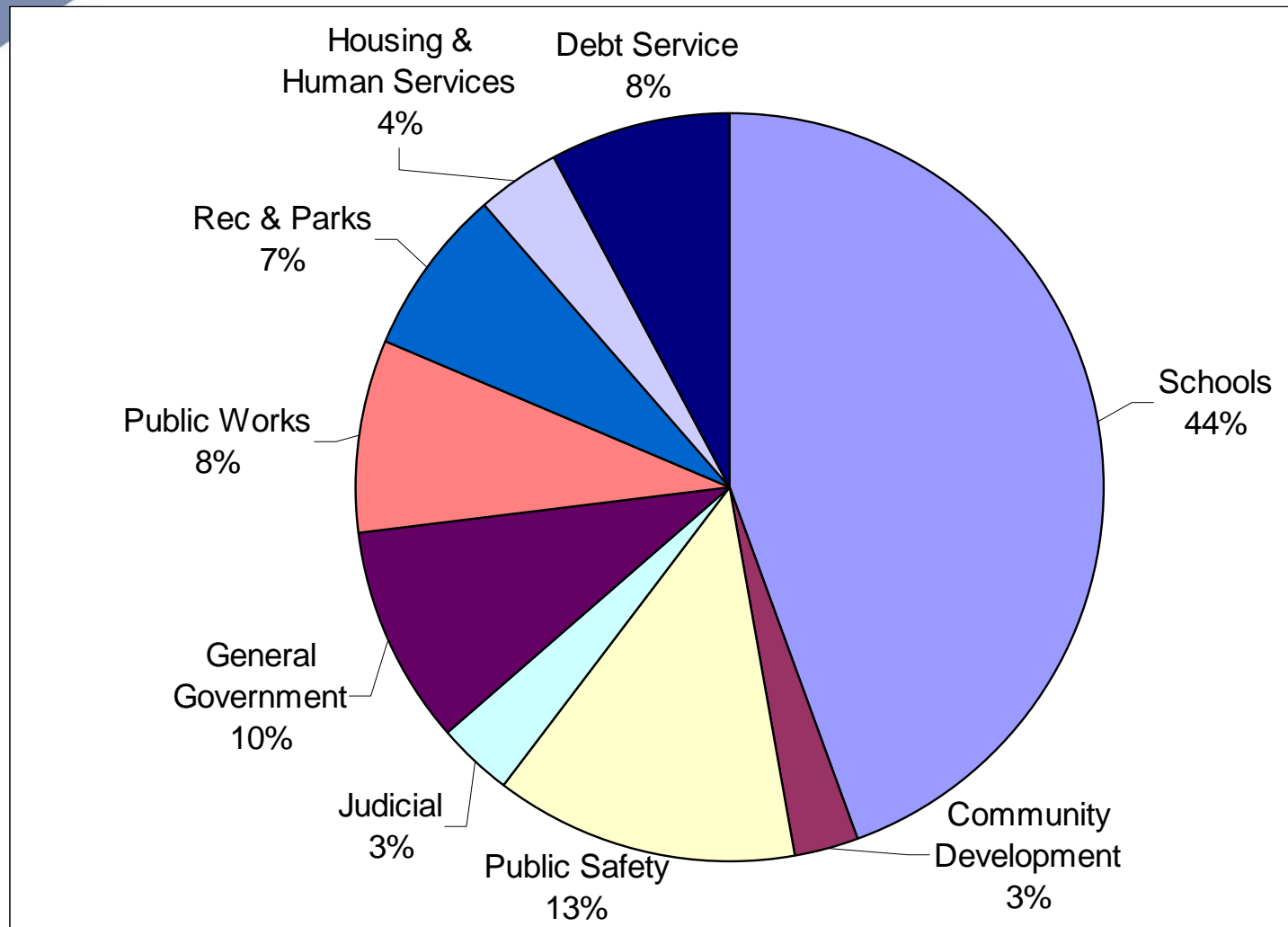
	2009	2010	Change
General Government*	38,090,506	36,883,146	-3.2%
School Transfer	30,117,600	29,624,825	-1.6%
Pay-as-you-go	2,401,480	113,000	-95.2%
Total	\$70,609,586	\$66,620,971	-5.7%

*includes debt service

Operating Expenditures



Expenditures

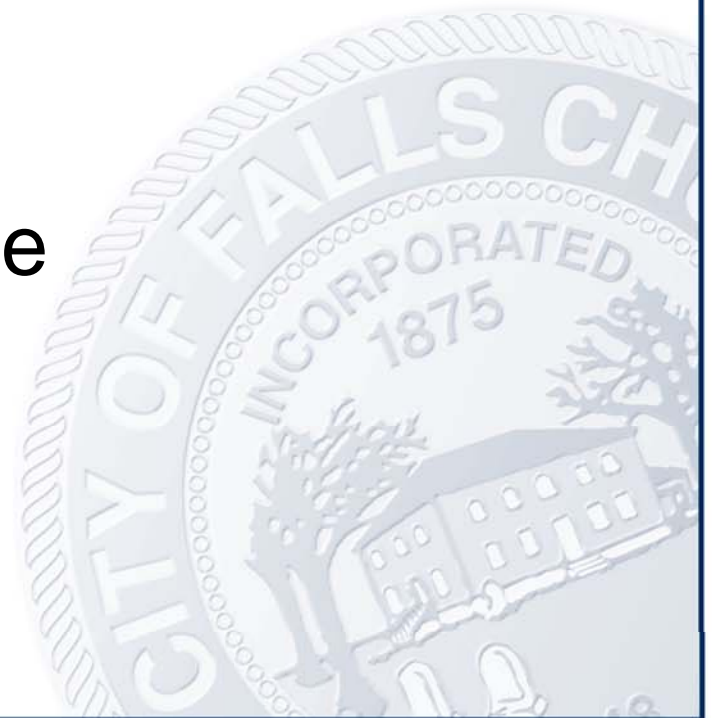


GAP

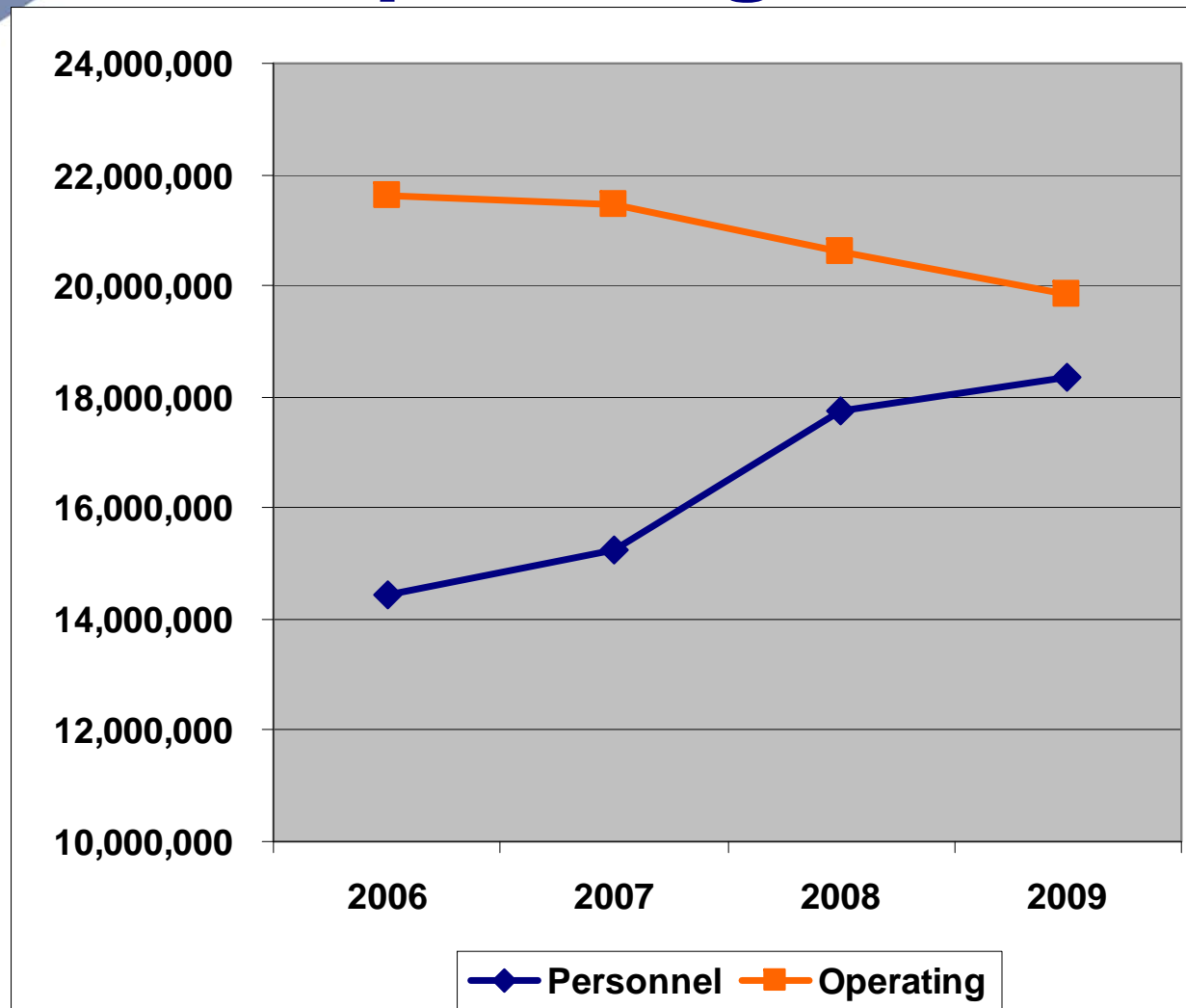
- Revenue Decline 1,760,000
- “Natural” Cost Growth 2,540,000
- **Gap** **\$4,300,000**

Cost Reductions

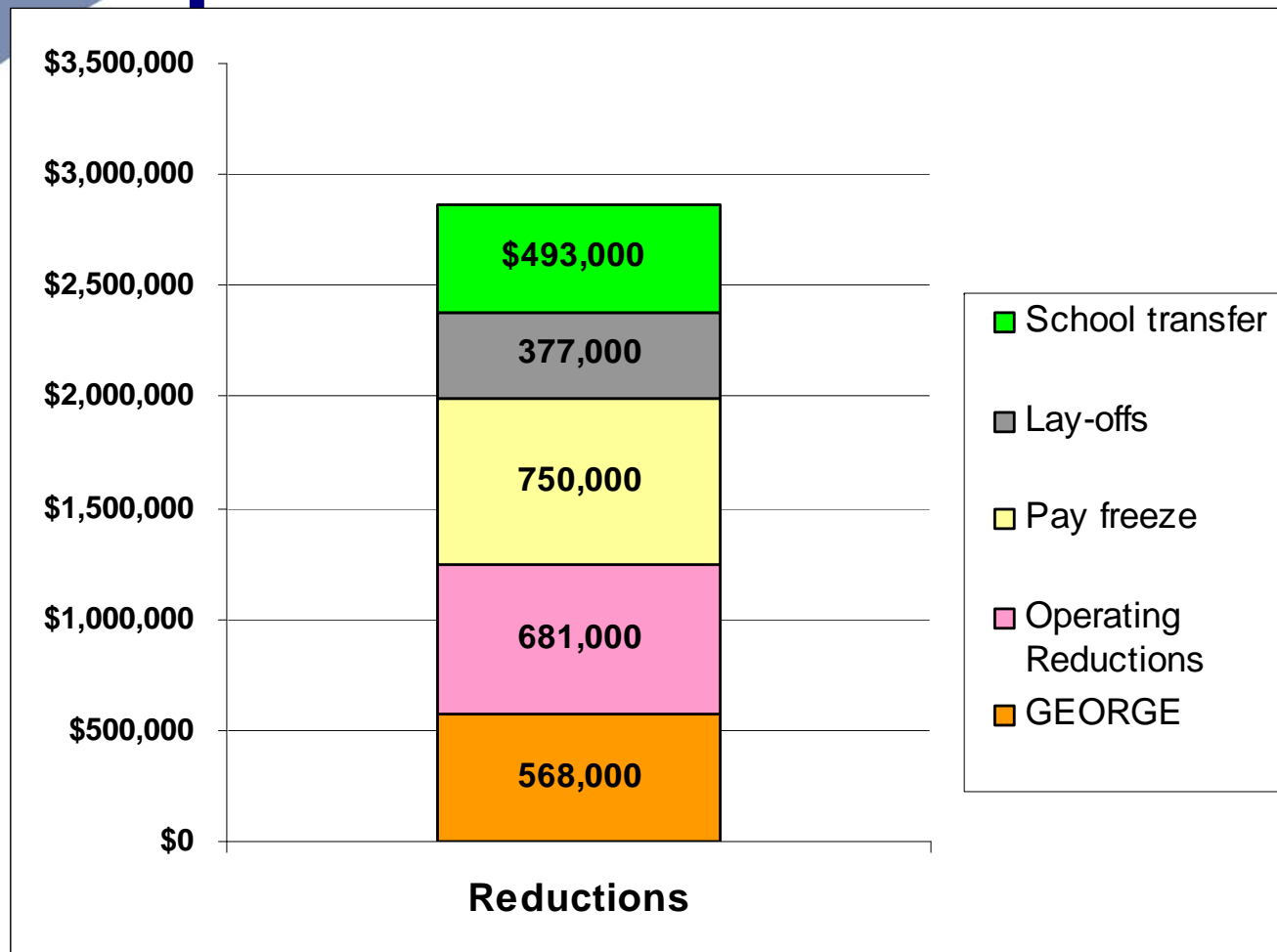
- City-wide Line of Service Review
 - Long term view
 - Customer perspective
 - Cost effectiveness



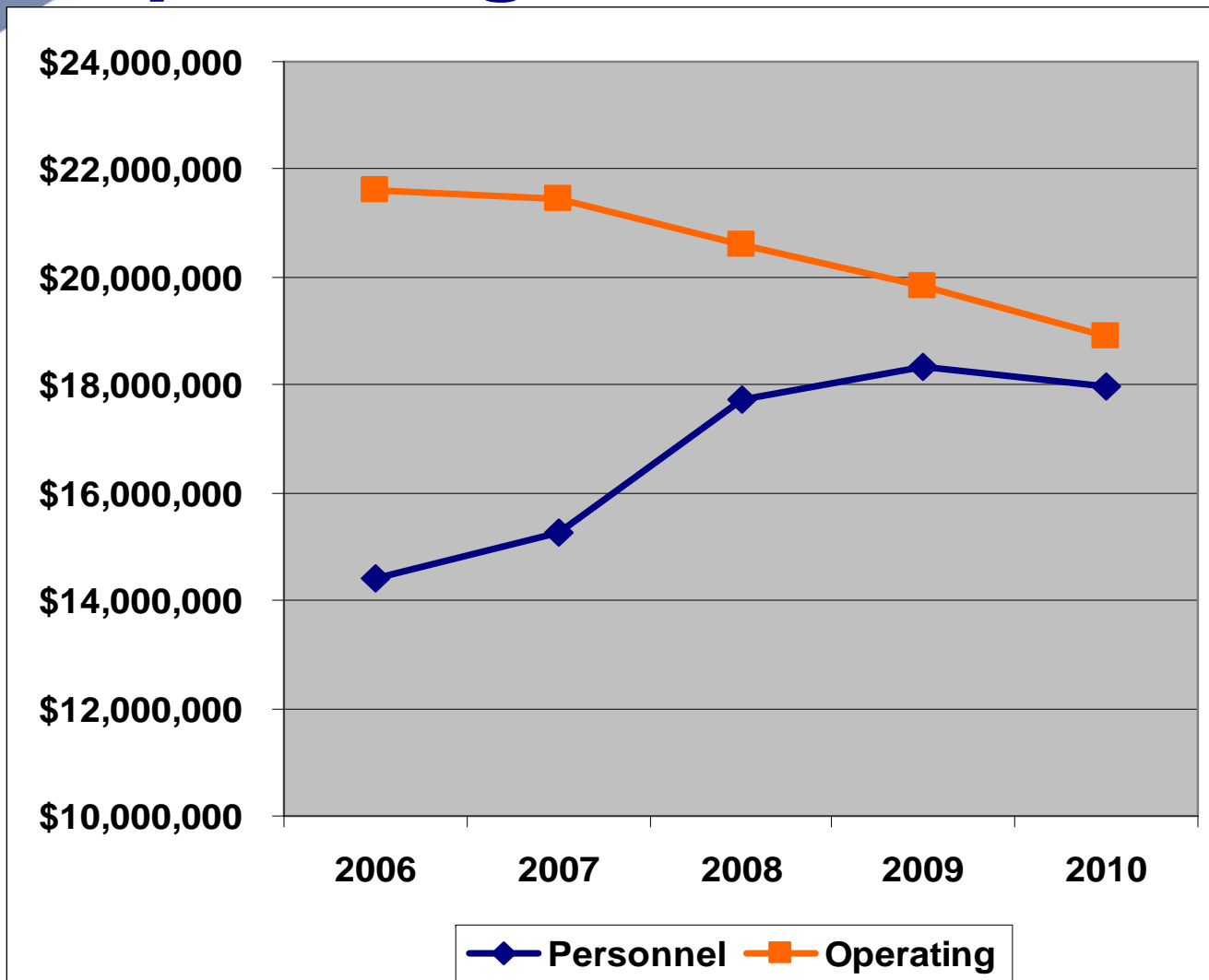
Operating Costs



Expenditure Reductions



Operating Cost Trends



Reductions in Operating Costs

	FY2009	FY2010	\$ Change	% Change
Schools & NoVa	\$ 30,129,980	29,637,120	(492,850)	-1.64%
Administration	6,774,523	6,405,491	(369,033)	-5.45%
Public Safety	8,666,427	8,713,614	47,187	0.54%
Community Services	9,588,644	9,385,965	(202,679)	-2.11%
Development Services	1,839,939	1,721,900	(118,039)	-6.42%
Environmental Services	5,450,877	5,035,797	(415,080)	-7.61%
Debt Service	5,315,096	5,150,380	(164,716)	-3.10%
WMATA (GEORGE)	455,000	5,000	(450,000)	-98.90%
Total	68,220,486	66,055,267	(2,165,210)	-3.17%

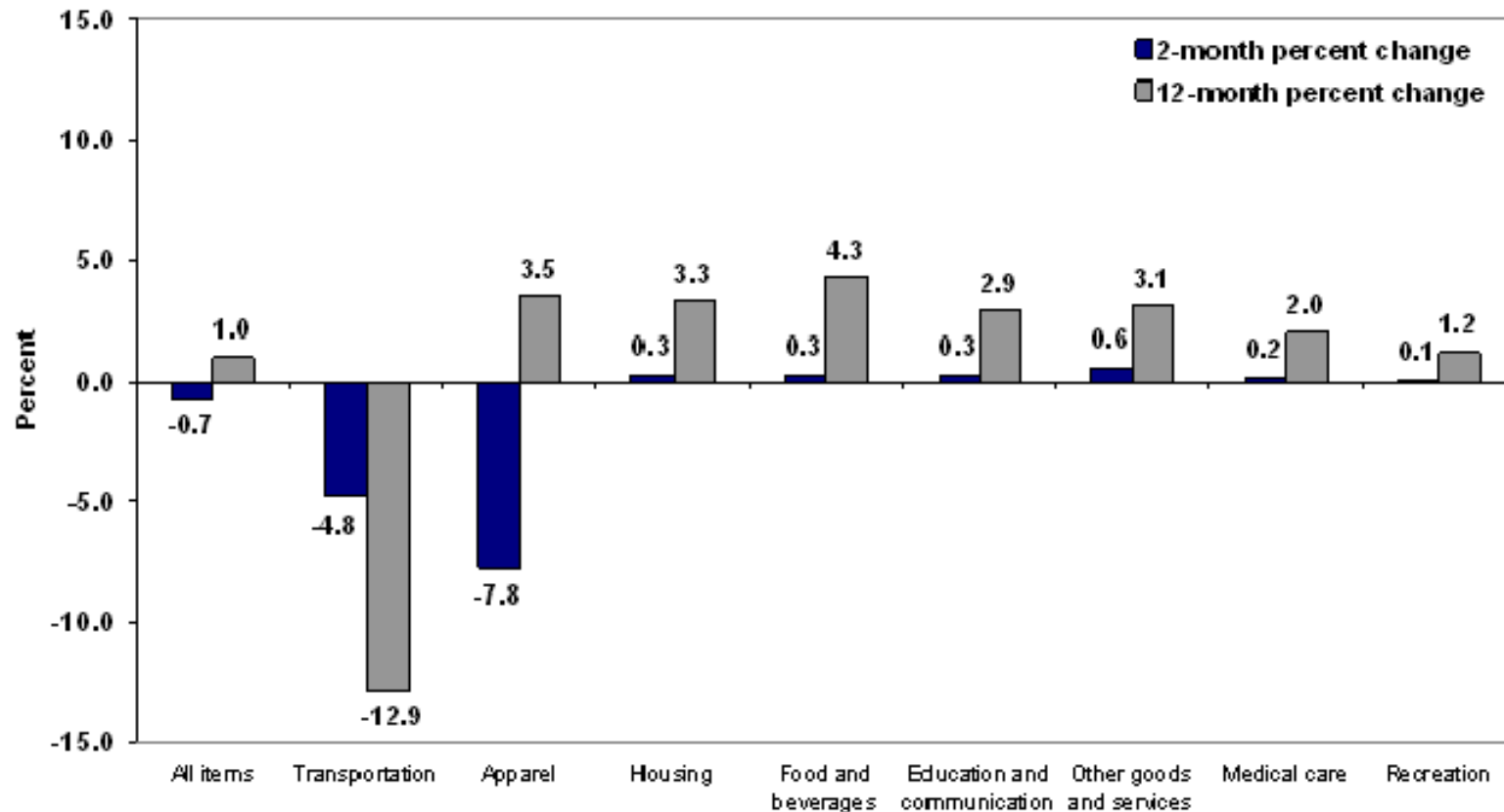
Personnel Costs

- **Personnel is 50% of General Government Budget**
 - **Pay Freeze: \$750,000 cost reduction**
 - **Health Insurance: \$60,000 increase**
 - **Pension costs: \$133,000 increase**
 - **Position Reductions: \$377,000 decrease**

Personnel Reductions

- **7 Positions Defunded**
- **3 Part Time**
 - Human Resources Specialist
 - Urban Environmental Inspector
 - Food Service Provider (hours reduced)
- **4 Full Time**
 - Police Officer (Vacant)
 - City Manager's Office Administrative Assistant
 - Emergency Management Specialist
 - Housing Development Specialist
- **Service Impacts**

CPI for Washington Area



Source: Bureau of Labor Statistics
<http://www.bls.gov/ro3/cpiwb.htm>



GEORGE Service Options FY2010



GEORGE Annual Ridership

FY2004	68,773
FY2005*	65,954
FY2006	75,478
FY2007	69,491
FY2008	70,911

*** Weekend and late evening service discontinued**

GEORGE Cost

- **WMATA Platform Hour Cost**

FY2004 - \$64

FY2005 - \$69

FY2006 - \$74

FY2007 - \$77

FY2008 - \$80

FY2009 - \$102

FY2010 - \$99

This fee covers:
Personnel (drivers)
Maintenance
Fuel, Tires, Insurance

FY2008 Costs

- **Gross Cost of \$613,953**
- **Total Revenue of \$28,000**
 - **Annual fare revenue ~ \$18,000 based on ridership of 70,911**
 - **Developer contributions of \$10,000**

Net Operating Cost/Cost to City:

\$613,953 - \$28,000 = \$568,498

GEORGE Options

OPTIONS SUMMARY	Estimated FY2010 City Cost
No Change - Keep Operator, Routes, Fares	\$568,000
Keep WMATA, Eliminate 26A	\$420,000
Keep WMATA, Eliminate 26A, Raise Fare	\$388,000
New Operator, Keep Routes, Fares	\$509,000
New Operator, Eliminate 26A	\$365,000
New Operator, Eliminate 26A, Raise Fare	\$345,000
Eliminate GEORGE Service	\$0

Examples of Reductions

	FY2009	FY2010	
Lease/Rental of Buildings	\$ 60,328	\$ 58,753	-3%
IT Support Contract	625,000	592,000	-5%
Computers and Software	332,743	203,266	-39%
Salaries - Overtime	478,451	432,683	-10%
Office Supplies	98,017	88,635	-10%
Computer Software	67,293	58,766	-13%
Telecom	258,676	205,593	-20%
Operating Supplies	131,431	104,176	-22%
Equipment Rental	671,779	531,884	-21%
Uniforms	66,055	50,400	-24%
Travel Conferences/Education	160,442	108,875	-32%
Professional Services	1,313,335	789,729	-40%

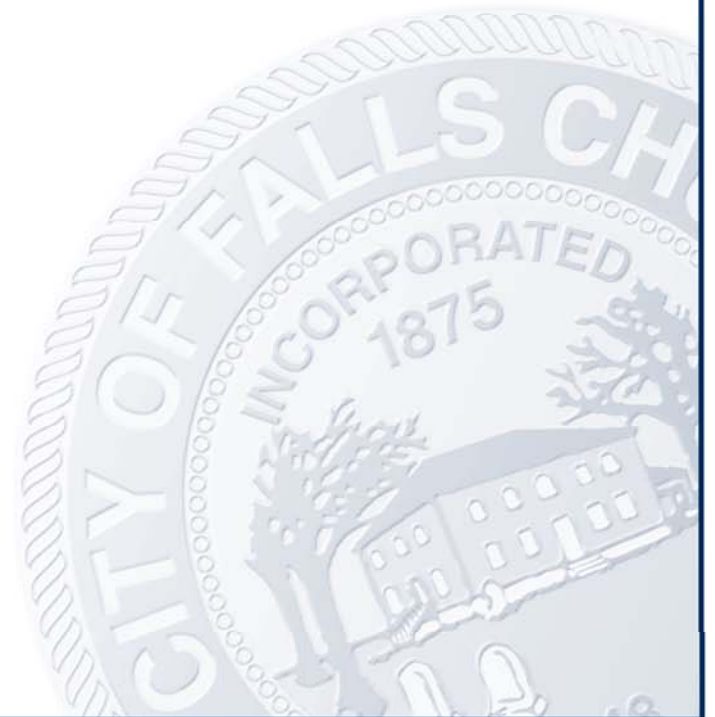
Areas Preserved

- **Library Hours and Book Purchases**
- **Community Center Hours**
- **Employee Pension and Retiree Health Care (costs fully funded)**
- **Climate Initiative**
- **Storm Water Programs**
- **Community Service Fund (reduced by \$5,000)**
- **Rent Relief/Emergency Assistance**
- **Public Safety**

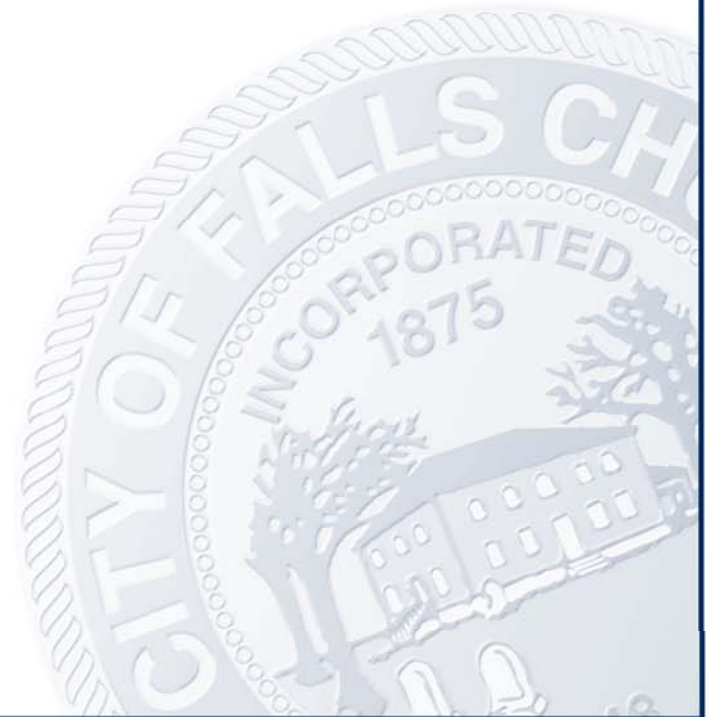
School Budget



FALLS CHURCH CITY
PUBLIC SCHOOLS



Capital Improvements Program



FY2010 CIP Projects- General Fund

- **Public Works**
 - **Projects only if grant funded**
 - **Daylighting - \$150k**
 - **Curbside Solid Waste - \$240k**

FY2010 CIP Projects- General Fund

- **Transportation**
 - **City Center Roads - \$1.3M (grant)**
 - **Intermodal Center - \$451k (grant) & \$113k match (PAUG)**
 - **Bicycle Routes - \$50k (only if grant)**
 - **Sidewalks - \$150k (only if grant)**
 - **Roadbed - \$250k (only if grant)**

FY2010 CIP Projects- General Fund

- **Projects Not Recommended**
 - **Tax Collection Software - \$345k**
 - **Fire Pumper Truck - \$519k**
 - **Library Expansion - \$6.7M**
 - **Parks Master Plans - \$750k**

Planning Commission Recommendation

- **Adopted CIP/COP on February 17th**
- **Modified City Hall/Public Safety Project:**
 - **Reduced by \$2M (\$14M to \$12M)**
 - **Allocated \$2M to FY2010 Library Expansion**
 - **Moved \$2M for FY2010 City Hall/Public Safety**
- **\$4M not included in City Manager's recommended FY2010 Budget**
 - **Pending completion of Feasibility Study**

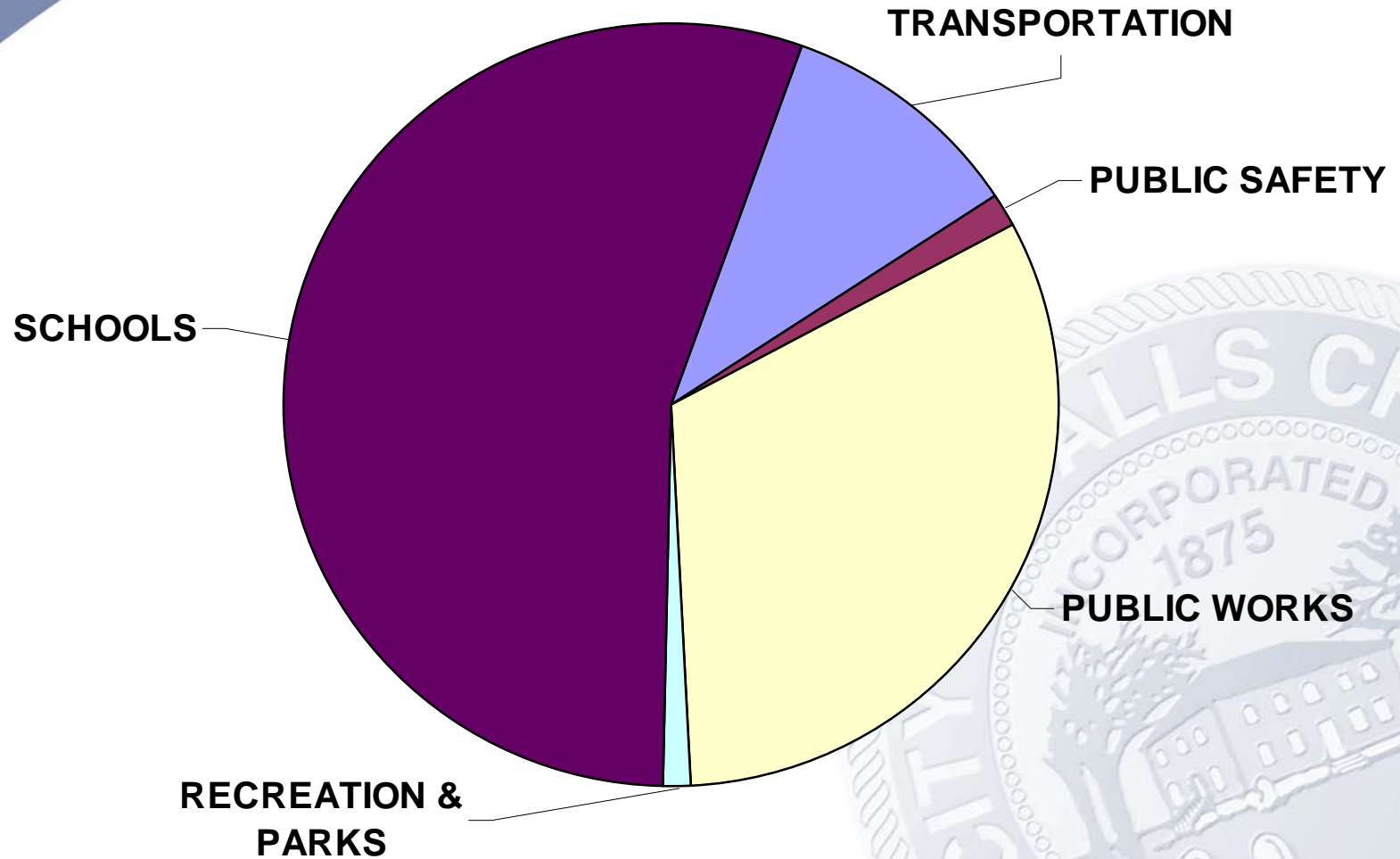
Five Year CIP/COP

PROJECT	FY2010*	Five Year
PUBLIC SAFETY	0	823,000
TRANSPORTATION	2,336,846	5,927,820
PUBLIC WORKS	390,000	18,476,000
RECREATION & PARKS	0	700,000
SCHOOLS	0	31,965,000
TOTAL	\$2,726,846	\$57,891,820
*FY2010: \$113k PAUG rest is grant/ only if grant funded		

CAPITAL IMPROVEMENTS PROGRAM

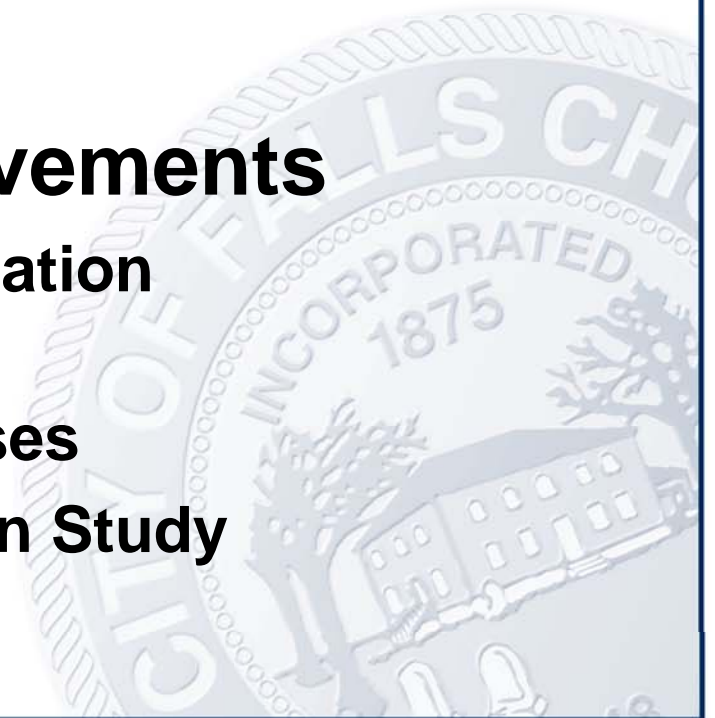
FUNDING SOURCE	FY2010	Five Year
Grants/Other Funded	1,773,846	2,244,333
Conditional (grant/revenue)	840,000	8,376,000
Debt*	0	45,478,500
School Fund Balance Use	0	1,165,000
PAUG	113,000	628,187
TOTAL	\$2,726,846	\$57,892,020
* City Manager not recommending \$4M debt in FY2010		

Five Year Plan: CIP/COP



Water Fund

- **Adopted FY2009 - \$22.9 million**
- **Proposed FY2010 - \$23.8 million**
- **No Change to Rates**
- **Infrastructure Improvements**
 - **Water Main and Pump Station Improvements**
 - **Stable Operating Expenses**
 - **Aqueduct Cost Allocation Study**



Water Fund CIP - 2010

City Hall West Wing Renovation	75,000
Kirby Rd Water Main (Chain Bridge-Chesterbrook)	600,000
McLean Pumping Station Improvements	275,000
Seven Corners System Improvements	700,000
Water Main Replacement Program	2,000,000
Total Water Utility	<hr/> \$ 3,650,000 <hr/>

(5-year CIP = \$32,500,000)

Sewer Fund

- **Adopted FY2009 \$7.2 million**
- **Proposed FY2010 \$3.5 million**
 - Decline due to completion of Arlington treatment plant project
- **No Change to Rates**
- **Infrastructure Improvements**
 - Sewer Line Repairs
 - Fairfax Plant Upgrades

Sewer Fund CIP - 2010

Fairfax Wastewater Treatment Plant Upgrades Phase I	328,311
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Fairfax Wastewater Treatment Plant Upgrades Phase II	35,000
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Falls Church Sewer Rehabilitation	400,000
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Total Sewer Utility	<hr/> \$ 763,311 <hr/>
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(5 year CIP = \$4,816,555)

Bond Ratings

Rating	S&P	Moody's	Fitch
Highest quality	AAA	Aaa	AAA
	AA+	Aa3	AA+
High quality	AA	Aa2	AA
	AA-	Aa1	AA-
	A+	A3	A+
Upper medium quality	A	A2	A
	A-	A1	A-
Medium grade	BBB	Baa	BBB
Somewhat speculative	BB	Ba	BB
Low grade, speculative	B	B	B
Low grade, default possible	CCC	Caa	CCC
Low grade, partial recovery possible	CC	Ca	CC
Default, recovery unlikely	C	C	C

Recommendations

- **Advertise for Public Hearing**
 - **\$1.09 tax rate for Real Estate**
 - **All other taxes unchanged**
 - **Fee increases**
 - **First Reading: March 23**
 - **Public Hearing: April 13**
 - **Second Reading and Adoption: April 27**

